

## PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor		2011-13 Change Over Base Year Doubled		2010-11	Governor		2012-13 Over 2010-11	
		2011-12	2012-13	Amount	%		2011-12	2012-13	Number	%
GPR	\$5,487,973,700	\$5,085,024,800	\$5,120,426,200	- \$770,496,400	- 7.0%	261.46	250.25	250.25	- 11.21	- 4.3%
FED	908,486,600	789,564,500	770,028,400	- 257,380,300	- 14.2	290.89	285.36	279.86	- 11.03	- 3.8
PR	40,860,500	39,664,700	39,866,400	- 2,189,900	- 2.7	80.94	80.01	80.01	- 0.93	- 1.1
SEG	60,108,600	53,369,900	55,369,900	- 11,477,400	- 9.5	1.00	0.00	0.00	- 1.00	- 100.0
TOTAL	\$6,497,429,400	\$5,967,623,900	\$5,985,690,900	- \$1,041,544,000	- 8.0%	634.29	615.62	610.12	- 24.17	- 3.8%

### Budget Change Items

## General School Aids and Revenue Limits

### 1. STATE SUPPORT FOR K-12 EDUCATION

**Governor:** Decrease general and categorical school aids from \$5,325,034,600 in 2010-11 to \$4,886,587,900 in 2011-12 and \$4,921,998,300 in 2012-13. Compared to the 2010-11 base year, school aids would decrease by \$438,446,700 (-8.2%) in 2011-12 and \$403,036,300 (-7.6%) in 2012-13. These proposed funding levels would represent annual changes to the prior year of -8.2% in 2011-12 and 0.7% in 2012-13.

Under state law as it existed prior to the repeal of the two-thirds funding commitment, state funding for support of K-12 education was defined as the sum of state general and categorical school aids, the school levy tax credit, and the general program operations appropriation for the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and the Wisconsin Center for the Blind and Visually Impaired. Using this definition, the bill would decrease state support from the base amount of \$6,234,200,300 in 2010-11 to \$5,795,198,200 in 2011-12 and \$5,830,608,600 in 2012-13. These proposed funding levels would represent annual changes to the prior year of -7.0% in 2011-12 and 0.6% in 2012-13.

Using the definition of partial school revenues as it existed prior to the repeal of the two-thirds funding commitment, the administration estimates that state support of partial school revenues would change from an estimated 63.0% in 2010-11 to approximately 61.2% in both 2011-12 and 2012-13. These estimates incorporate the proposed revenue limit modifications and the state support funding in the bill, which is presented in Table 1.

**TABLE 1****State Support for K-12 Education**

	2011-12 Base Year	Governor's Proposal	
		2011-12	2012-13
General School Aids	4,671,200,000	\$4,278,784,000	\$4,310,488,000
Categorical Aids	653,834,600	607,803,900	611,510,300
School Levy/First Dollar Credits	897,400,000	897,400,000	897,400,000
State Residential Schools	11,765,700	11,210,300	11,210,300
Total	\$6,234,200,300	\$5,795,198,200	\$5,830,608,600
Change to Prior Year:			
Amount		-\$439,002,100	\$35,410,400
Percent		-7.0%	0.6%
Change to Base:			
Amount		-\$439,002,100	-\$403,591,700
Percent		-7.0%	-6.5%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Governor's funding recommendations for each general and categorical school aid program as compared to the 2010-11 base funding level. The Governor's recommendations relating to individual school aid programs are summarized in the items that follow.

**TABLE 2****State Support for K-12 Education by Fund Source**

	2010-11 Base Year	Governor's Proposal	
		2011-12	2012-13
<b>GPR</b>			
General School Aids	\$4,671,200,000	\$4,278,784,000	\$4,310,488,000
Categorical Aids	600,838,400	559,660,800	561,367,200
School Levy/First Dollar Credits	882,550,000	882,550,000	882,550,000
State Residential School	11,765,700	11,210,300	11,210,300
GPR Subtotal	\$6,166,354,100	\$5,732,205,100	\$5,765,615,500
<b>PR</b>			
Categorical Aids	\$1,675,000	\$1,507,500	\$1,507,500
<b>SEG</b>			
Categorical Aids	\$51,321,200	\$46,635,600	\$48,635,600
School Levy Credit	14,850,000	14,850,000	14,850,000
Total State Support - All Funds	\$6,234,200,300	\$5,795,198,200	\$5,830,608,600

TABLE 3

**General and Categorical School Aid by Funding Source  
2010-11 Base Year Compared to the Governor's Budget**

Agency	Type and Purpose of Aid	2010-11	Governor's Proposal		2011-13 Change		
		Base Year	2011-12	2012-13	Over 2010-11 Doubled Amount	Percent	
DPI	<b>General Aid</b>						
	General School Aids	\$4,652,500,000	\$4,261,954,000	\$4,293,658,000	-\$749,388,000	-8.1%	
	High Poverty Aid	18,700,000	16,830,000	16,830,000	-3,740,000	-10.0	
	Total General Aid	\$4,671,200,000	\$4,278,784,000	\$4,310,488,000	-\$753,128,000	-8.1%	
DPI	<b>Categorical Aid--GPR Funded</b>						
	Special Education	\$368,939,100	\$368,939,100	\$368,939,100	\$0	0.0%	
	Additional Special Education Aid	3,500,000	3,500,000	3,500,000	0	0.0	
	Supplemental Special Education Aid	1,750,000	1,750,000	1,750,000	0	0.0	
	SAGE	109,184,500	109,184,500	109,184,500	0	0.0	
	SAGE--Debt Service	148,500	133,700	133,700	-29,600	-10.0	
	Pupil Transportation	26,337,300	23,703,600	23,703,600	-5,267,400	-10.0	
	Sparsity Aid	14,948,100	13,453,300	13,453,300	-2,989,600	-10.0	
	MPS Pupil Achievement	9,650,000	0	0	-19,300,000	-100.0	
	Bilingual/Bicultural Education	9,544,200	8,589,800	8,589,800	-1,908,800	-10.0	
	Tuition Payments	9,158,800	8,242,900	8,242,900	-1,831,800	-10.0	
	P-5 Grants	7,096,400	0	0	-14,192,800	-100.0	
	Head Start Supplement	6,960,100	6,264,100	6,264,100	-1,392,000	-10.0	
	Alternative Education	4,825,000	0	0	-9,650,000	-100.0	
	AODA	4,361,800	0	0	-8,723,600	-100.0	
	School Lunch	4,218,100	4,218,100	4,218,100	0	0.0	
	County Children with Disabilities Education Boards	4,067,300	4,067,300	4,067,300	0	0.0	
	Children at Risk	3,377,500	0	0	-6,755,000	-100.0	
	School Breakfast	2,789,400	2,510,500	2,510,500	-557,800	-10.0	
	Four-Year-Old Kindergarten Grants	1,500,000	1,350,000	1,350,000	-300,000	-10.0	
	Mentoring for Initial Educators	1,302,700	1,172,400	0	-1,433,000	-55.0	
	School Day Milk	685,700	617,100	617,100	-137,200	-10.0	
	Aid for Transportation--Open Enrollment	482,500	434,200	434,200	-96,600	-10.0	
	Peer Review and Mentoring	482,500	434,300	1,606,700	1,076,000	111.5	
	Cooperative Educational Service Agencies	289,500	260,600	260,600	-57,800	-10.0	
	Gifted and Talented	263,500	237,200	237,200	-52,600	-10.0	
	Grants for Nursing Services	241,200	0	0	-482,400	-100.0	
	Supplemental Aid	120,600	0	0	-241,200	-100.0	
	Advanced Placement	96,500	0	0	-193,000	-100.0	
	English for Southeast Asian Children	96,500	0	0	-193,000	-100.0	
	Science, Technology, Engineering, and Mathematics	59,400	0	0	-118,800	-100.0	
	Aid for Transportation--Youth Options	19,300	17,400	17,400	-3,800	-9.8	
	DOA	Debt Service on Technology Infrastructure Bonding	\$4,342,400	\$580,700	\$2,287,100	-\$5,817,000	-67.0%
		Total Categorical Aid--GPR Funded	\$600,838,400	\$559,660,800	\$561,367,200	-\$80,648,800	-6.7%
DPI	<b>Categorical Aid--PR Funded</b>						
	AODA	\$1,427,500	\$1,284,700	\$1,284,700	-\$285,600	-10.0%	
	Tribal Language Revitalization Grants	247,500	222,800	222,800	-49,400	-10.0	
	Total Categorical Aid--PR Funded	\$1,675,000	\$1,507,500	\$1,507,500	-\$335,000	-10.0%	
DPI	<b>Categorical Aid--SEG Funded</b>						
	School Library Aids	\$39,600,000	\$35,000,000	\$37,000,000	-\$7,200,000	-9.1%	
DOA	Educational Telecommunications Access Support	\$11,190,700	\$11,105,100	\$11,105,100	-\$171,200	-0.8%	
UW	Environmental Education--Forestry	\$400,000	\$400,000	\$400,000	\$0	0.0%	
	Environmental Education--Environmental Assessments	130,500	130,500	130,500	0	0.0	
	Total Categorical Aid--SEG Funded	\$51,321,200	\$46,635,600	\$48,635,600	-\$7,371,200	-7.2%	
	Total Categorical Aid--All Funds	\$653,834,600	\$607,803,900	\$611,510,300	-\$88,355,000	-6.8%	
	Total School Aid--All Funds	\$5,325,034,600	\$4,886,587,900	\$4,921,998,300	-\$841,483,000	-7.9%	

## 2. GENERAL SCHOOL AIDS

GPR	- \$749,388,000
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**Governor:** Delete \$390,546,000 in 2011-12 and \$358,842,000 in 2012-13 in general school aids. The general school aids appropriation funds equalization, integration, and special adjustment aid. General school aids funding would decrease from \$4,652,500,000 in 2010-11 to \$4,261,954,000 in 2011-12 and \$4,293,658,000 in 2012-13. This would result in changes of -8.4% and 0.7%, respectively, compared to the prior year.

## 3. SPECIAL ADJUSTMENT AID

**Governor:** Specify that, for the 2011-12 distribution of general school aids, special adjustment aid would be calculated based on 90% of a district's prior year general aid payment.

Under current law, special adjustment aid is equal to the amount needed to make an eligible district's total general aid eligibility in the current year equal to 85% of the district's prior year general aid payment. This provision would raise the percentage to 90% for the 2011-12 aid year, further limiting the year-to-year decline in a district's general aid payment in that year.

[Bill Section: 9137(2)]

## 4. HIGH POVERTY AID

GPR	- \$3,740,000
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**Governor:** Delete \$1,870,000 annually in high poverty aid. This would represent a 10% reduction to current base funding of \$18.7 million annually for high poverty aid.

High poverty aid is distributed to districts with at least 50% of their enrollment eligible for free or reduced-price lunch. Aid per pupil is calculated by dividing the amount of funding appropriated by the total membership in all eligible districts, with a district's total payment determined by multiplying that amount by each district's membership. By law, for all districts except MPS, high poverty aid is subject to revenue limits. For MPS, high poverty aid must be used to reduce the school property tax levied for the purpose of offsetting the aid reduction attributable to the Milwaukee parental choice program. In either case, the effect of this aid is to reduce the property tax levy of the eligible district.

## 5. REVENUE LIMITS -- BASE REDUCTION

**Governor:** Modify the revenue limit calculation to delete the per pupil adjustment provisions under current law and instead reduce base revenue per pupil for each district by 5.5% in 2011-12 and make no adjustment to base revenue per pupil in 2012-13. The bill would also delete current law references to the 2012-13 revenue limit provisions applying to subsequent years, making it unclear under the bill what revenue limit provisions would apply beginning in 2013-14.

Under revenue limits, the amount of revenue a school district can raise from general

school aids, computer aid, and property taxes is restricted. A district's base revenue in a given year is equal to the general aid, computer aid, and property tax revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine base revenues per pupil. Under current law, a per pupil adjustment is added to the base revenue per pupil to determine the district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's current and prior two years enrollments to determine the district's initial revenue limit. Other adjustments (such as declining enrollment) are then made to the revenue limit.

Under current law, the per pupil adjustment would be \$275 in 2011-12, and that amount would be indexed to inflation beginning in 2012-13. Under the bill, these adjustments would be replaced with a 5.5% reduction in 2011-12 and no adjustment in 2012-13.

[Bill Sections: 2575, 2576, and 2580 thru 2596]

## **6. REVENUE LIMITS -- LOW REVENUE ADJUSTMENT**

**Governor:** Set the low revenue ceiling under revenue limits at \$8,900 per pupil in 2011-12 and each year thereafter.

Under current law, any school district with base revenue per pupil below the low revenue ceiling amount may increase its revenues up to that amount. In 2010-11, the low revenue ceiling is \$9,000 per pupil. Under current law, it would be set at \$9,800 per pupil in 2011-12 and each year thereafter.

[Bill Section: 2574]

## **7. REVENUE LIMITS -- CARRYOVER OF UNUSED REVENUE AUTHORITY**

**Governor:** Delete the adjustment for carryover of unused revenue authority.

A school district is not required to levy the maximum property tax amount allowed under its revenue limit. Under the carryover adjustment, if a district does not levy the maximum amount allowed in a given school year, the district's revenue limit in the following year is increased by an amount equal to the underlevy in the prior year. This adjustment is reduced by the amount of any nonrecurring revenue limit authority from the prior year.

Administration staff indicate that it was not the Governor's intent to delete this adjustment.

[Bill Section: 2597]

## **8. REVENUE LIMITS -- PRIOR YEAR BASE REVENUE HOLD HARMLESS**

**Governor:** Delete the prior year base revenue hold harmless adjustment.

Under this adjustment, a school district's initial revenue limit for the current year is, in

certain cases, set equal to its prior year's base revenue. This hold harmless applies if a district's initial revenue limit in the current year, after consideration of the per pupil adjustment and low revenue ceiling, but prior to any other adjustments, is less than the district's base revenue from the prior year. This adjustment is nonrecurring. For some districts with relatively large declines in enrollment, the initial revenue limit for the current year can still be less than the district's prior year base revenue, even after the per pupil adjustment and low revenue ceiling adjustment are calculated.

[Bill Sections: 2577 thru 2579, 2584, 2602, and 2603]

## **9. REVENUE LIMITS -- SCHOOL SAFETY EXPENDITURES**

**Governor:** Delete the adjustment for school safety expenditures.

Under 2009 Act 28, a nonrecurring adjustment for school safety expenditures was created, beginning in the 2011-12 school year. The amount of the adjustment would be equal to \$100 times the number of pupils enrolled in the district or \$40,000, whichever is greater. To receive the adjustment, a school board would be required to: (a) adopt a resolution to increase its limit using the adjustment; (b) jointly develop an expenditure plan with a local law enforcement agency that specifies the purposes of the additional revenue and is consistent with the broader school safety plan required of districts; and (c) submit the expenditure plan to DPI. A school district could use funding generated by the adjustment to purchase school safety equipment, fund the compensation costs of security officers, or fund other expenditures consistent with its school safety plan.

[Bill Section: 2598]

## **10. REVENUE LIMITS -- ABOVE-AVERAGE TRANSPORTATION COSTS**

**Governor:** Delete the adjustment for above-average transportation costs.

Under 2009 Act 28, a nonrecurring adjustment for above-average pupil transportation costs was created. The adjustment would be based on the difference, if positive, between the average amount spent by the district per pupil on transportation in the second-previous year and the statewide average amount per pupil spent on transportation in the second-previous year, multiplied by the district's pupil membership in the second-previous year. The revenue limit adjustment would be equal to 50% of that amount in 2011-12 and 100% of that amount in 2012-13 and each year thereafter. A school board would be required to adopt a resolution to use this adjustment.

[Bill Section: 2600]

## **11. REVENUE LIMITS -- SCHOOL NURSE COMPENSATION COSTS**

**Governor:** Delete the adjustment for school nurse compensation costs.

A nonrecurring adjustment for the compensation costs of school nurses was created under

2009 Act 28, beginning in the 2011-12 school year. The adjustment would be equal to the amount spent by a district in the second-previous year for the salary and fringe benefits costs of school nurses employed by the district and of school nurses providing nursing services in the district under contract with the board. A school board would be required to adopt a resolution to increase its revenue limit using the adjustment.

[Bill Section: 2599]

## 12. REVENUE LIMIT -- OPEN ENROLLMENT ADJUSTMENT

**Governor:** Create a new revenue limit adjustment related to open enrollment pupils that are not included in the resident district's enrollment. Specify that the adjustment would be equal to the amount of any open enrollment aid transfer in the previous year for a pupil who was not included in the calculation of the number of pupils enrolled under revenue limits (which uses the third Friday of September count date) in the previous year. The open enrollment program changes associated with this adjustment can be found under "Public Instruction -- Choice, Charter, and Open Enrollment."

Under the open enrollment program, the resident district counts a pupil transferring to another district in its enrollment for revenue limits and general aids. A specified amount of state aid (an estimated \$6,796 in 2010-11) is then transferred from the resident district to the nonresident district for each open enrollment pupil. For pupils that attend for less than a full school term, the state aid adjustments are prorated.

[Bill Section: 2601]

## Categorical Aids

### 1. DELETE IMPROVING PUPIL ACHIEVEMENT PROGRAM

GPR	- \$19,300,000
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**Governor:** Delete \$9,650,000 annually to eliminate base level funding for grants for improving pupil academic achievement and delete related statutory language. Under the current law program, the Milwaukee Public Schools board is permitted to apply to DPI for an annual grant of up to \$10,000,000 to implement initiatives to improve pupil academic achievement in all grades, such as employing licensed teachers to tutor pupils who are struggling academically, or employing persons to coordinate the district's instructional programs and provide ongoing professional development for teachers. The MPS board must submit with its application a plan for DPI's approval describing the initiatives for which the grant will be used, describing the research showing that the initiatives have a positive effect on pupil academic achievement, and including criteria for evaluating the effectiveness of the initiatives, such as high school graduation rates or the results of the Wisconsin knowledge and concepts exam.

[Bill Sections: 531 and 2552]

## 2. ACROSS-THE-BOARD 10% REDUCTIONS

GPR	- \$15,011,400
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**Governor:** Delete \$7,505,700 annually as part of an across-the-board 10% reduction in most smaller GPR categorical aid appropriations.

<u>Appropriation</u>	<u>Base</u>	<u>Annual Reduction</u>
Pupil Transportation	\$26,337,300	-\$2,633,700
Sparsity Aid	14,948,100	-1,494,800
Bilingual-Bicultural	9,544,200	-954,400
Tuition Payments/Open Enrollment Transfer	9,158,800	-915,900
Head Start Supplement	6,960,100	-696,000
School Breakfast	2,789,400	-278,900
Four-year-old Kindergarten	1,500,000	-150,000
Mentoring for Initial Educators	1,302,700	-130,300
School Day Milk	685,700	-68,600
Aid for Transportation--Open Enrollment	482,500	-48,300
Peer Review and Mentoring	482,500	-48,200
Cooperative Educational Service Agencies	289,500	-28,900
Gifted and Talented	263,500	-26,300
SAGE--Debt Service	148,500	-14,800
Second Chance Partnership	147,500	-14,700
Aid for Transportation--Youth Options	9,300	-1,900

## 3. DELETE PRESCHOOL TO GRADE 5 PROGRAM

GPR	- \$14,192,800
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**Governor:** Delete \$7,096,400 annually to eliminate base level funding for the preschool to grade 5 (P-5) program. Delete related statutory language.

Since 1986-87, P-5 grants have supported programs designed to improve education of pupils enrolled in school districts with high concentrations of low-income and low-achieving pupils. A district receiving a grant must ensure that each elementary school has class sizes of no more than 25 pupils per teacher, annual testing in basic skills, 4-year-old kindergarten, identification of pupils in need of remedial assistance, parental involvement, in-service training, and staff evaluations. Thirty-eight elementary schools in the school districts of Beloit, Kenosha, Milwaukee, and Racine participate in the program.

[Bill Sections: 534, 2457, and 2533]

## 4. DELETE ALTERNATIVE EDUCATION GRANTS

GPR	- \$9,650,000
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**Governor:** Delete \$4,825,000 annually to eliminate base level funding for alternative education grants. Under the alternative education grant program, school districts and consortia apply for funding for alternative or adaptive school structures and teaching techniques designed for pupils having difficulty succeeding in the regular school setting, as evidenced by academic failure, truancy, expulsion or suspension, disruptive behavior, criminal involvement, violent behavior, or alcohol or other drug abuse. Currently, alternative education grants are awarded for



five years, per administrative rule, with awards generally totaling 100% in the first through third years, 60% in the fourth year, and 40% in the fifth year.

[Bill Sections: 528 and 2452]

## **5. DELETE ALCOHOL AND OTHER DRUG ABUSE GRANTS**

GPR	- \$8,723,600
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**Governor:** Delete \$4,361,800 annually to eliminate GPR base level funding for the alcohol and other drug abuse (AODA) grant program. There is a separate AODA program appropriation funded with program revenue from penalty assessment surcharge revenues, with base level funding of \$1,427,500 PR, that would not be affected by this provision. The bill would also delete current law providing that, for a deferred prosecution agreement, as a condition in a consent decree, or as a recommended intervention under the juvenile justice code, the court could permit the juvenile to participate in a court-approved AODA pupil assistance program provided by the juvenile's school board, subject to the approval of the school board. For an adjudicated delinquent, delete provisions permitting a court's order to include an AODA program provided by the juvenile's school district.

The AODA program provides block grants to address alcohol and other drug abuse among school-age children. Emphasis is placed on both AODA prevention and intervention, including K-12 curriculum development, family involvement, drug abuse resistance education, and pupil-designed AODA prevention or intervention projects.

[Bill Sections: 533, 2438, 2440, 2451, 2533, 3512, 3515 thru 3517, and 3519 thru 3525]

## **6. DELETE CHILDREN-AT-RISK AID**

GPR	- \$6,755,000
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**Governor:** Delete \$3,377,500 annually to eliminate base level funding for aid for children-at-risk programs. Delete related statutory language, but retain the definition of a child-at-risk for the purposes of other state programs. Under the bill, the definitions of a child-at-risk and the definition of a dropout would apply to the K-12 education statutes. For an adjudicated delinquent, delete the provision that permits a court's disposition to include a children-at-risk program provided by the juvenile's school district. Delete the requirement that a school district develop a plan for children-at-risk, which is one of the 20 school district standards. No state aid may be paid in any year to a school district that fails to meet the requirements found under the 20 standards.

Since 1987-88, certain school districts have received aid for programs for pupils who are considered at-risk of not completing high school because they are: (a) behind their age group in the number of high school credits attained; (b) behind two or more years in basic skill levels or not promoted from 8th to 9th grade; (c) habitual truants; (d) parents; or (e) adjudicated delinquents. Eligibility for aid is based on a district's prior year dropout statistics (districts with 30 or more dropouts or a dropout rate exceeding 5% may apply for aid). Districts receive aid for each at-risk pupil who meets performance standards, such as minimum days in attendance and

credits earned. For each pupil meeting the performance criteria, the district receives an amount equal to 10% of its prior year's equalization aid per pupil.

[Bill Sections: 27, 526, 1105, 1321, 1322, 1413, 1414, 2438, 2445, 2463, 2478 thru 2485, 2504, 2532, 2533, 2566, 2570, 3513, 3514, 3518, and 3526]

## **7. DELETE SMALLER CATEGORICAL AID PROGRAMS**

GPR	- \$1,228,400
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**Governor:** Delete \$614,200 annually to eliminate base level funding for the following categorical aid programs: (a) grants for nursing services (\$241,200 annually); (b) supplemental aid (\$120,600 annually); (c) advanced placement grants (\$96,500 annually); (d) English for Southeast Asian pupils (\$96,500 annually); and (e) grants for science, technology, engineering, and mathematics (STEM) (\$59,400 annually).

Beginning in 2007-08, grants for nursing services provide competitive grants to school districts, except Milwaukee, to employ additional school nurses or contract for nursing services. Grants must be awarded to districts with the greatest demonstrated need for nursing services, including high ratios of pupils to nurses, prevalence of health problems, and concentrations of low-income pupils. Eight districts received grants in 2009-10.

A school district is eligible for supplemental aid if it satisfies all of the following criteria: (a) the school district had an enrollment of fewer than 500 pupils in the previous school year; (b) the school district is at least 200 square miles in area; and (c) at least 80% of the real property in the district is exempt from property taxation, taxed as forest croplands, owned or held in trust by a federally recognized American Indian tribe, or owned by the federal government. Aid is equal to \$350 per pupil. One school district, Laona, receives funding under the program.

Advanced placement (AP) grants provide funding to school districts to partially reimburse the costs related to offering AP courses for the first time, or for expanding the number of AP courses offered. A grant cannot exceed \$300 per pupil enrolled in AP courses, but in 2009-10 grants were prorated to \$66 per pupil for 40 school districts.

Aid is provided to the Wausau School District for English as second language for 3-, 4-, and 5-year-old Southeast Asian children. Payments were originally funded from Temporary Assistance for Needy Families (TANF) funds under the Department of Workforce Development. Under 2005 Act 25, funding was shifted to GPR in a new appropriation under DPI.

Under 2007 Act 20, a program was created for STEM grants to school districts for the following activities: (a) to develop innovative instructional programs in science, technology, engineering, and mathematics; (b) to support pupils who are typically under-represented in these subjects; and (c) to increase the academic achievement of pupils in these subjects. Twelve school districts have been awarded grants for the current school year.

[Bill Sections: 525, 527, 532, 538, 539, 2439, 2441 thru 2443, and 2456]

## 8. CONSOLIDATE EDUCATOR MENTORING PROGRAMS

**Governor:** Repeal the mentoring for initial educators grant program as of July 1, 2012. Transfer \$1,172,400 of funding in 2012-13 from this program to the peer review and mentoring grant program, which would result in \$1,608,700 of funding in 2012-13 for the peer review program. Funding for these programs would be reduced by 10% in an earlier entry relating to across-the-board 10% reductions, and the remaining funding in 2012-13 would be consolidated into the peer review and mentoring grant program.

Under current law, the mentoring for initial educators grant program provides grants to each employer of an initial educator, as defined under Chapter PI 34 of the Administrative Code. The amount of the grant is equal to the amount that the employer is spending to provide a mentor for the initial educator, but not more than \$375. This program would be eliminated under the bill. Base level funding is \$1,302,700 annually.

Under the current law peer review and mentoring program, a cooperative educational service agency or a consortium consisting of two or more school districts or cooperative educational service agencies, or a combination thereof, may apply to DPI for a grant to provide technical assistance and training for teachers who are licensed or have been issued a permit to implement peer review and mentoring programs. As a condition of receiving a grant, a cooperative educational service agency or a consortium is required to provide matching funds in an amount equal to at least 20% of the amount of the grant awarded. The matching funds may be in the form of money or in-kind services or both. Funding for this program would be increased under the bill. Base level funding is \$482,500 annually.

[Bill Sections: 541, 2454, and 9437(1)]

## 9. SCHOOL LIBRARY AIDS REESTIMATE

SEG	- \$7,200,000
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**Governor:** Reduce school library aids by \$4,600,000 in 2011-12 and \$2,600,000 in 2012-13 as a reestimate of available funding, from base level funding of \$39,600,000. Aid comes from interest earned yearly by the Common School Fund, created under Article X of the State Constitution. Estimates of the amounts that will be available for distribution are made by the Board of Commissioners of Public Lands.

## 10. AODA FUNDING REDUCTION

PR	- \$285,600
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**Governor:** Reduce funding by \$142,800 annually (10%) from base level funding of \$1,427,500 for alcohol and other drug abuse programs, which are supported from penalty assessment funding. Specify that any unencumbered balance on June 30 of each year would revert to the penalty surcharge appropriation under the Department of Justice.

[Bill Section: 540]

## 11. REDUCE TRIBAL LANGUAGE GRANTS

PR	- \$49,400
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**Governor:** Reduce funding by \$24,700 annually (10%) from base level funding of \$247,500 for tribal language revitalization grants. The program revenue is from tribal gaming revenues transferred from DOA. Tribal language revitalization grants are grants to school districts and cooperative educational service agencies (CESAs) that, in conjunction with a tribal education authority, may apply to DPI for a grant for the purpose of supporting innovative, effective instruction in one or more American Indian languages.

## 12. GRANTS FOR GIFTED AND TALENTED EDUCATION

**Governor:** Modify the current law grants program for gifted and talented education to also allow the University of Wisconsin-Madison to receive grants. Modify the purpose of the grants from providing advanced curriculum and assessments for gifted and talented pupils, to instead provide services and activities not ordinarily provided in a regular school program that allow such pupils to fully develop their capabilities. Under current law, nonprofit organizations, cooperative educational service agencies, and the Milwaukee Public Schools can receive grants.

[Bill Section: 2489]

## School District Operations

### 1. REPEAL 180 DAYS OF INSTRUCTION REQUIREMENT

**Governor:** Repeal the requirement that a school board schedule at least 180 school days during the school term. Repeal a provision that allows not more than five Saturdays to be counted as school days in any school year with the consent of the school board. Current law requiring at least 437 hours of instruction in kindergarten, 1,050 hours of instruction in grades one to six, and 1,137 hours of instruction in grades seven to 12 would be retained. Permit a school board to schedule up to 35 hours of instruction on Saturdays.

Require each school district to hold school for the minimum required hours of instruction (rather than the required days, as under current law) in order to receive state aid, less: (a) any hours the State Superintendent determines school is not held as the result of a strike; (b) hours during which school is closed by order of the school district administrator because of inclement weather and hours during which parent-teacher conferences are held, not to exceed 35 hours during the school term; (c) hours during which school is closed by order of a local health officer or the Department of Health Services; or (d) hours during which school is closed by order of the school district administrator because of a threat to the health or safety of pupils or school personnel, but not including inclement weather, unless the school board determines that the hours will not count as hours of pupil instruction.

[Bill Sections: 2435, 2436, 2490, 2506, 2556, 2557, 2560 thru 2565, 2568, 2569, and 2572]

## **2. DELETE REQUIREMENT FOR READING SPECIALIST**

**Governor:** Delete the requirement that each school district employ a certified reading specialist to develop and coordinate a comprehensive reading curriculum in grades kindergarten to 12. Delete the duties assigned to a reading specialist, and instead require that a school board develop and implement a reading curriculum in grades kindergarten to 12 and coordinate the reading curriculum with other reading programs and other support services within the school district.

These board duties under the bill, which currently apply to the reading specialist, would be added to the current duties of the board to develop a program of reading goals, to make an assessment of existing reading needs, and to make an annual evaluation of the district's reading curriculum.

[Bill Sections: 2464 thru 2471]

## **3. DRUG ADMINISTRATION TRAINING**

**Governor:** Repeal the current law requirement that for school staff, training to administer nonprescription drug products and prescription drugs must be approved by DPI. Under current law, no school bus driver, employee, or volunteer may administer a nonprescription drug product or prescription drug, use an epinephrine auto-injector, or administer glucagon unless he or she has received training approved by DPI in administering nonprescription drug products and prescription drugs. Training in such administration would still be required under the bill, but would not need to be approved by DPI. These provisions do not apply to health care professionals.

[Bill Section: 2488]

## **4. SCHOOL NURSES**

**Governor:** Delete the current law requirement that school nurses meet qualifications for school nurses prescribed by DPI by rule. Under current law, in addition to the DPI rule, a school nurse must be a registered nurse licensed either under state law or in a party state to the Nurse Licensure Compact.

Under the DPI rule, school nurse means a person who is a registered nurse licensed in Wisconsin, or in a party state, and has a bachelor's or master's degree from a nursing program that is approved by the board of nursing or accredited by the Commission on Collegiate Nursing Education and that includes preparation in public health nursing or community health nursing. An individual is considered a school nurse if he or she was employed by, or under contract with, a school board, a board of control of a cooperative educational service agency, a county children with disabilities education board, or an operator of an independent, charter school as a school nurse on January 1, 2011.

[Bill Section: 2434]

## **5. INDOOR ENVIRONMENTAL QUALITY**

**Governor:** Delete the requirement that each school board of a public school district and each private school participating in the Milwaukee parental choice program develop and implement a plan for maintaining indoor environmental quality in its schools. Delete the requirement that such plans be provided to any person upon request. Delete the requirement that DPI establish a model management plan and practices for maintaining indoor environmental quality in public and private schools, based on the recommendations of an indoor environmental quality in schools task force established under 2009 Act 96.

[Bill Sections: 2474 thru 2476 and 2548]

## **6. MPS TEACHING DAYS**

**Governor:** Repeal the current law provision that the period of teaching service in the regular day schools for the Milwaukee Public Schools (MPS) cannot exceed 200 days, including the legal holidays and educational convention days on which the schools are closed.

Under current law, the Milwaukee Public Schools board may determine the school calendar and vacation periods for each school year for the regular day schools, summer schools, social centers, and playgrounds, except that: (a) the period of teaching service in the regular day schools cannot exceed 200 days, including the legal holidays and educational convention days on which the schools are closed; and (b) the board may close any school or dismiss any class in the event of an emergency, fire or other casualty, quarantine or epidemic.

[Bill Sections: 2534 and 2535]

## **7. RESIDENCY REQUIREMENTS FOR TEACHERS**

**Governor:** Prohibit a school board from requiring that a teacher, meaning any person holding a license or permit issued by the State Superintendent whose employment by a school district requires that he or she hold that license or permit, reside within the school district as a condition of employment. Provide that such residency requirements are a prohibited subject of collective bargaining. Provide that these provisions would first apply to teachers covered by a collective bargaining agreement that is in effect on the effective date of the bill upon the expiration, extension, renewal, or modification of the agreement. A technical correction would be needed to accomplish the intent of the bill.

[Bill Sections: 2409, 2487, and 9337(1)]

## **8. PROPERTY TAX LEVY CERTIFICATION DATE**

**Governor:** Modify the date by which the clerk of a common or union high school district must certify the district's levy to the clerk of each municipality having territory within the

district from November 6 to the 7<sup>th</sup> calendar day after the day of the general election, in those years in which a general election is held.

[Bill Sections: 2555 and 2559]

## 9. TRANSPORTATION PAYMENTS TO PARENTS

**Governor:** Allow all school districts to combine parental contracts relating to transportation of pupils residing in the same household and attending the same private school, rather than only Milwaukee Public Schools as under current law. Specify that this provision would first apply to contracts entered into after the bill's effective date.

Under current law, except for Milwaukee Public Schools, such a payment is made for each such private school pupil so transported. The payment cannot exceed the actual cost of the transportation. A school board may offer this type of contract only if the estimated cost to transport the private school pupil is more than 1.5 times the school district's average cost per pupil for regular bus transportation in the previous school year, and the board meets certain parent notification requirements.

Under 2009 Act 28, the Milwaukee Public Schools were allowed to combine parental contracts for pupils residing in the same household and attending the same private school.

[Bill Sections: 2573 and 9337(2)]

## Choice, Charter, and Open Enrollment

### 1. MILWAUKEE PARENTAL CHOICE PROGRAM -- PAYMENT AND REESTIMATE

GPR	\$3,221,000
MPS Aid	
Reduction	<u>1,236,900</u>
Net GPR	\$1,984,100

**Governor:** Provide \$644,200 in 2011-12 and \$2,576,800 in 2012-13 over base year funding of \$132,061,000 in the appropriation for payments for the Milwaukee parental choice program, based on: (a) reestimates of pupil participation under current law to 20,600 pupils in 2011-12 and 20,900 pupils in 2012-13; and (b) a bill provision to maintain the maximum per pupil payment under the program at \$6,442 for the 2011-12 and 2012-13 school years and to resume the indexing of the choice payment to the change in the general school aids appropriation beginning in 2013-14.

Under current law, the maximum amount paid per pupil under the choice program is \$6,442 in 2010-11. Beginning in 2011-12, the maximum amount paid per pupil in a given school year would equal the maximum amount paid per pupil in the prior school year adjusted by the percent change, if non-negative, in the general school aids appropriation from the previous school year to the current school year.

Under current law, the estimated cost of the payments from the choice program appropriation is partially offset by a net reduction (after consideration of aid paid to the City to defray the choice levy) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 38.4% of the total cost of the choice program. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction, less the amount of high poverty aid paid to MPS. Under this item, the MPS choice reduction would increase by \$247,400 in 2011-12 and \$989,500 in 2012-13 over the base choice reduction amount of \$50,711,400. The net general fund fiscal effect of this item would be increased expenditures of \$396,800 in 2011-12 and \$1,587,300 in 2012-13.

[Bill Section: 2542]

## 2. MILWAUKEE PARENTAL CHOICE PROGRAM -- PROGRAM EXPANSION

GPR	\$19,326,000
MPS Aid Reduction	<u>7,421,200</u>
Net GPR	\$11,904,800

Governor: Provide \$6,442,000 in 2011-12 and \$12,884,000 in 2012-13 over base year funding of \$132,061,000 in the appropriation for payments for the Milwaukee parental choice program and make the following changes to program eligibility.

a. *Pupil Participation Limit.* Delete the limit on the number of pupils that may participate in the choice program.

Under current law, no more than 22,500 full-time equivalent (FTE) pupils may participate in the program. Additional statutory provisions govern what the State Superintendent must do when he or she determines that the limit has been reached and when the number of choice pupils has fallen below the limit, and the priority order in which pupils must be accepted when schools have been notified that they may begin accepting additional pupils. The bill would eliminate all of these provisions.

b. *Family Income Limit.* Beginning in the 2011-12 school year, specify that there would be no income limit for participation in the choice program for a pupil who did not attend a school participating in the choice program in the 2010-11 school year. For such a pupil, prohibit a choice school from charging or receiving any payment other than the state choice payment if the pupil's total family income does not exceed 325% of the federal poverty level. Allow a choice school to charge a pupil tuition and fees in an amount determined by the school (in addition to the state choice payment) if the pupil's total family income exceeds 325% of the federal poverty level.

Require a choice school, in its letter of acceptance, to indicate the amount of the state choice payment the parent of the pupil will receive.

Current law provisions would apply under the bill for pupils that attended a choice school in the 2010-11 school year. Under current law, to be eligible to attend a choice school for the first time, a pupil's total family income must not exceed 175% of the federal poverty level (\$39,630 for a family of four in 2010-11). A choice pupil remains eligible to participate in the



program if his or her family income is less than 220% of the federal poverty level (\$49,818 for family of four in 2010-11). A sibling of a choice pupil is initially eligible to participate in the choice program if his or her family income is under 220% of the federal poverty level. A pupil who leaves the program would need to meet the family income requirement of 175% of the federal poverty level to re-enter the program, unless the pupil has a sibling still in the program, in which case the 220% threshold would apply. Similar to current law, a choice school would not be able to charge or receive any payment for a pupil other than the state choice payment.

c. *School Eligibility.* Allow schools in Milwaukee County to participate in the choice program, beginning in the 2012-13 school year. Modify the statutory references to the certificate of occupancy that schools must submit to the Department to require that the certificate be from the municipality in which the school is located.

Under current law, schools must be located in the City of Milwaukee to be eligible to participate in the program. A school must submit to DPI a copy of its current certificate of occupancy issued by the City by certain dates prior to beginning participation in the program or if a school moves to a new location.

d. *Combined Fiscal Effect.* As a result of these three items, the administration estimates that an additional 1,000 pupils in 2011-12 and 2,000 pupils in 2012-13 above the current law reestimate would participate in the choice program. The estimated increase in the cost of payments from the choice program appropriation would be partially offset by a net reduction (after consideration of aid paid to the City to defray the choice levy) in the general school aids otherwise paid to the MPS by an amount equal to 38.4% of the total cost of the choice program. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction, less the amount of high poverty aid paid to MPS. Under this item, the MPS choice reduction would increase by \$2,473,700 in 2011-12 and \$4,947,500 in 2012-13 over the base choice reduction amount. The net general fund fiscal effect of this item would be increased expenditures of \$3,968,300 in 2011-12 and \$7,936,500 in 2012-13.

Under the bill, it is estimated that a total of 21,600 pupils in 2011-12 and 22,900 pupils in 2012-13 will participate in the choice program. The appropriation for payments for the choice program would be funded at \$139,147,200 in 2011-12 and \$147,521,800 in 2012-13.

[Bill Sections: 2536 thru 2541, 2545, 2546, and 9337(3)&(4)]

### **3. MILWAUKEE PARENTAL CHOICE PROGRAM -- REQUIRED TESTS**

**Governor:** Delete the requirement that schools participating in the choice program annually administer the 4th, 8th, and 10th grade Wisconsin knowledge and concepts examination and all tests in reading, mathematics, and science that are required for public school pupils under the federal No Child Left Behind Act (NCLB) to all pupils in the relevant grades attending the school under the choice program. Instead, require that choice schools annually administer a nationally-normed standardized test in reading, mathematics, and science to choice pupils in the 4th, 8th, and 10th grades. (The bill would need to be modified in order to achieve the administration's intent.)

NCLB currently requires that all students be tested in reading and mathematics each year in 3rd through 8th grades and once in high school, and in science once each in elementary, middle, and high school.

[Bill Section: 2547]

#### **4. MILWAUKEE PARENTAL CHOICE PROGRAM -- GOING CONCERN DETERMINATION**

**Governor:** Specify that evidence of any of the following circumstances may indicate that a school participating in the choice program does not utilize sound fiscal practices, is not financially viable, or does not have the financial ability to continue educational programming operations:

- a. the school's budget and statement of cash flows reveal that the school has inadequate revenues and other financial resources to fund current operations;
- b. the audit opinion statement submitted by the school as required under current law contains a qualification as to the school's ability to continue as a going concern;
- c. the school failed to make a payment to a vendor for services provided to the school or to an employee or other individual for expenses incurred on behalf of the school within ninety days of receipt of invoice or payment request or as per written agreement, or has failed to make payments to an employee pursuant to a written document specifying compensation and dates for payment, as indicated in writing from the vendor, employee, or other individual;
- d. the school failed to make a filing with or withholding payment to the Internal Revenue Service or the Departments of Revenue or Workforce Development as indicated in writing from one of these agencies;
- e. an audit that is required of the school by a federal or state agency or local governmental unit and provided to DPI in compliance with reporting requirements promulgated by the Department contained questioned costs or findings related to compliance that may affect the school's ability to continue; and
- f. the school failed to refund to DPI the amount of any overpayment made to the school related to the state choice payment, or the amount of any payment made to the school for a pupil ineligible by law to attend the school.

Specify that if DPI determines that any of the above circumstances applies to a school, the school shall, upon written request, provide the Department with any information required by the Department, including an audit of the school's financial statements in accordance with generally accepted accounting principles, to permit the Department to determine whether the school is utilizing sound fiscal practices, is financially viable, or is financially able to continue educational programming operations.

Require a choice school to immediately notify the Department of a decision to cease

educational programming operations.

Under current law, by August 1 before the first school year a new school participates in the program, or by May 1 if the school begins participating in the program during summer school, each school participating in the program must submit to DPI evidence of financial viability. Annually, by September 1 following a school year in which a school participated in the choice program, the school must submit to DPI evidence of sound fiscal practices and an independent financial audit of the school conducted by a certified public accountant.

The State Superintendent may issue an order barring a school from participating in the program in the current school year if he or she determines that the school has failed to provide the independent financial audit or evidence of sound fiscal practices, misrepresented information relating to the evidence of financial viability, or failed to refund to the state any overpayment made by the date specified by DPI rule.

[Bill Sections: 2543, 2544, and 2549]

## **5. MILWAUKEE PARENTAL CHOICE PROGRAM -- NOTICE OF ADMINISTRATIVE CHANGES**

**Governor:** Require the Department to notify each school participating in the choice program and the parents and guardians of each pupil attending a choice school under the choice program of any proposed changes to the choice program or to administrative rules governing the program prior to the beginning of the school year in which the change takes effect. Specify that this would include changes to application or filing deadlines, but would not include changes to provisions governing health or safety.

[Bill Sections: 2550 and 2551]

## **6. INDEPENDENT CHARTER SCHOOL PROGRAM**

GPR	\$16,305,000
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**Governor:** Provide \$5,820,000 in 2011-12 and \$10,485,000 in 2012-13 over base level funding of \$56,125,000 as a reestimate of sum sufficient funding for the Milwaukee and Racine independent charter school program. Under current law, the Common Council of the City of Milwaukee, the Chancellor of the University of Wisconsin-Milwaukee, and the Milwaukee Area Technical College are authorized to operate or contract to operate charter schools located within Milwaukee Public Schools. The Chancellor of the University of Wisconsin-Parkside is authorized to operate or contract to operate one charter school located within the Racine Unified School District (RUSD). There are currently 19 charter schools participating in the program, including one in Racine. A total of 7,200 pupils attend these schools in 2010-11, and the aid per pupil is \$7,775.

This estimate assumes that 7,800 pupils will be enrolled in the current law program in 2011-12 and that the aid per pupil will be \$7,775. In 2012-13, it is assumed that 8,400 pupils will be enrolled in the current program, at a per pupil cost of \$7,775. Funding for a related current

law aid payment to the Racine Unified School District of \$1,300,000 annually is included as well. This separate aid payment would be eliminated, which is summarized in a following item.

Under current law, payments to the charter schools, and a separate aid payment to Racine Unified School District related to the Racine charter school, are fully offset by a proportionate reduction in the general school aids of all school districts in the state through the 2010-11 school year. Beginning in 2011-12, under the current law provision, the amount of the reduction in school aids is capped at the amount of the reduction taken in 2010-11. Any amount over that base amount would be funded directly from the general fund. Under current law revenue limits, and under the bill, school districts may levy property taxes to make up for the amount of revenue lost to the aid reduction.

**7. INDEPENDENT CHARTER SCHOOL PROGRAM --  
GENERAL AID OFFSET**

Statewide Aid Reduction	\$16,305,000
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**Governor:** Delete the current law provision that would have capped the reduction in general school aid for all school districts, related to the independent charter school program, at the amount of the reduction taken for the 2010-11 school year and paid additional amounts for the program in future years from the general fund. Instead, for the entire amount paid to independent charter schools in a given school year, the bill would reduce general aid for all school districts by an equal amount.

[Bill Section: 2571]

**8. EXPAND INDEPENDENT CHARTER SCHOOL  
PROGRAM**

GPR	\$4,665,000
Statewide Aid Reduction	<u>4,665,000</u>
Net GPR	\$0

**Governor:** Authorize the Chancellor of any University of Wisconsin System institution and the Chancellor of UW-Madison to establish and operate independent charter schools. It is estimated that this expansion of the program would add approximately 600 pupils in 2012-13 at a per pupil payment of \$7,775, which would equal \$4,665,000 in 2012-13 in increased expenditures. Under the bill, additional expenditures for this program would be deducted from the general school aids for all school districts, resulting in no net GPR cost. For this purpose, an institution would be defined as any University or an organizational equivalent designated by the Board of Regents and the University of Wisconsin Colleges. Specify that the chancellors of institutions within the UW System could not establish a charter school without the approval of the Board of Regents of the University of Wisconsin System. Delete current law that specifically authorizes the Chancellors UW-Milwaukee and UW-Parkside to establish and operate independent charter schools as well as provisions that prohibit UW-Milwaukee from establishing a charter school located outside Milwaukee Public Schools, and that prohibit UW-Parkside from establishing a charter school located outside Racine Unified School District.

Provide that if the Chancellor of any UW System institution contracts for the establishment of a charter school, then the Board of Regents of the UW System may employ

instructional staff for the school. Specify that annual leave of absence with pay for charter school instructional staff employed by the Board of Regents must be determined by the governing board of the charter school, as approved by the Chancellor of the UW System institution that established the school, and subject to the terms of any applicable collective bargaining agreement. Under current law, these provisions apply only to UW-Parkside.

Delete current law provisions specific to UW-Parkside requiring that the contract for the establishment of a charter school provide that the school be operated by a governing board and that the Chancellor or his or her designee must be a member of the governing board. Delete requirements that if the contract provides that the instructional staff of the charter school shall consist of employees of the Board of Regents of the UW System, the contract must also include provisions that: (a) delegate to the governing board of the charter school the Board of Regents' authority to establish and adjust all compensation and fringe benefits of instructional staff; and (b) authorize the governing board of the charter school to perform specified duties for the Board of Regents with respect to the instructional staff. Delete current law restrictions on the number and enrollment of charter schools established by UW-Parkside. Delete the current law requirement that the Chancellor of UW-Parkside submit a biennial report to the Legislature on the academic performance of the pupils who attend the charter school and on the success of the governance structure of the charter school.

[Bill Sections: 813, 2410, 2420, 2428, 2491 thru 2497, 2501, 2503, 2505, 2752, and 2766]

## **9. SEPARATE AID PAYMENT TO RUSD**

**Governor:** Delete \$1,300,000 GPR annually and the current law requirement that DPI pay to Racine Unified School District (RUSD) an amount equal to RUSD's school aid payment per pupil in the current year multiplied by the number of pupils attending the UW-Parkside charter school who were previously enrolled in RUSD. For 2010-11, it is estimated that RUSD will receive \$1,300,000 under this provision.

GPR	- \$2,600,000
Statewide Aid Reduction	<u>- 2,600,000</u>
Net GPR	\$0

Reduce estimated funding for the charter school appropriation by \$1,300,000 annually and reduce the related statewide aid reduction correspondingly.

[Bill Sections: 537 and 2502]

## **10. PER PUPIL PAYMENT FOR INDEPENDENT CHARTER SCHOOLS**

**Governor:** Specify that in 2011-12 and in 2012-13, independent charter schools would receive their prior year per pupil payment plus the amount of any per pupil increase provided to private schools participating in the Milwaukee Parental Choice Program (MPCP). Because the bill would maintain the MPCP per pupil payment at the 2010-11 amount of \$6,442 in 2011-12 and 2012-13, the effect of the change would be to retain the current per pupil charter school payment of \$7,775 for the 2011-12 and 2012-13 school years. Provide that independent charter schools, beginning in the 2013-14 school year, would receive a per pupil payment equal to the

prior year's payment plus the per pupil adjustment allowable under revenue limits in the current year.

[Bill Sections: 2499 and 2500]

## **11. INDEPENDENT CHARTER SCHOOL TEACHER LICENSURE**

**Governor:** For persons teaching in an independent, non-school district sponsored charter school, delete the requirement that the person first procure a license or permit to teach from DPI. Instead, require that independent charter school authorizers ensure that all instructional staff for the schools have a bachelor's degree from an accredited institution of higher education. Instructional staff for charter schools sponsored by school districts would still be required to procure a license or permit from DPI.

Under current law, any person seeking to teach in a public school, including a charter school, or in a school or institution operated by a county or the state must first procure a license or permit from the Department. All licenses and permits require at least a bachelor's degree, in addition to other requirements.

[Bill Sections: 2486, 2498, and 2567]

## **12. VIRTUAL CHARTER ENROLLMENT**

**Governor:** Repeal the limit of 5,250 pupils who may attend a virtual charter school through the open enrollment program.

[Bill Section: 2507 and 2513 thru 2515]

## **13. OPEN ENROLLMENT PROGRAM -- TIMELINES AND REQUIREMENTS**

**Governor:** Modify the timelines and procedures for the current law full-time open enrollment program as follows:

a. Move the last day in which a pupil may apply to attend a nonresident district from the third Friday following the first Monday in February under current law to the last weekday in April. (The first day would remain the first Monday in February.)

b. Move the date by which the nonresident district must send a copy of the application to the resident district and the Department from the fourth Monday in February under current law to the end of the first weekday following the last weekday in April.

c. Move the date on which a nonresident district may begin to act on applications received from the third Friday following the first Monday in February under current law to May 1.

d. Move the date by which the nonresident district must notify an applicant not chosen

from a waiting list as to whether the application was accepted from the first Friday following the first Monday in April under current law to the same day in June.

e. Move the date by which the nonresident district must identify the specific school or program an accepted applicant may attend in the following school year from the second Friday following the first Monday in May under current law to the first Friday following the first Monday in June.

f. Move the date by which a resident district must notify the applicant and the nonresident district that an application has been denied from the first Friday following the first Monday in April under current law to the second Friday following the first Monday in June.

g. Move the date by which a pupil's parent must notify the nonresident district of the pupil's intent to attend school in that district from the first Friday following the first Monday in June under current law to the last Friday in June.

h. Move the date by which a nonresident district must report the names of the pupils accepted to the resident district from June 30 under current law to July 7.

i. Require districts to determine the number of regular education and special education spaces available within the district at the January meeting of the school board, except that for the 2011–12 school year the district must determine the number of regular education and special education spaces available within the district at the February meeting of the school board. This determination would be used as part of the criteria for accepting and rejecting applications from nonresident pupils.

j. Specify that a nonresident district may accept pupils from a waiting list allowed under current law until the third Thursday in September, but only if the pupil will be in attendance at the school or program in the nonresident district on the third Friday in September. Require the parent of a pupil accepted from a waiting list after the start of the school term to immediately notify the resident district of the pupil's intent to attend school in the nonresident district for the current school term.

Specify that a pupil accepted from a waiting list may attend the school or program in the nonresident district even if the pupil has attended a school or program in the pupil's resident district in the current school term, but not if the pupil has attended a school or program in a nonresident district in the current school term.

Under current law, a nonresident district may create a waiting list of pupils whose applications were initially rejected by the district. DPI is required to promulgate rules to implement and administer the waiting list provision.

k. Require the resident district to provide the nonresident district to which a pupil has applied the disciplinary records required under current law by the first Friday following the first Monday in May and delete current law language under which these records would be provided on request by the nonresident district.

l. Create a requirement for the resident district to send the nonresident district a copy

of the individualized education program for a child with a disability whose parent submitted an application by the first Friday following the first Monday in May.

m. Require the nonresident district to prepare an estimate of the costs to provide the special education or related services required in the individualized education program for a child with a disability whose parent has submitted an application. For an application submitted for a child with a disability, require the nonresident district to provide a copy of the estimate of costs to the resident district by the third Friday following the first Monday in May. Specify that if the nonresident district fails to comply with the requirement by the date specified, the nonresident district may not charge the resident district for any actual, additional costs incurred by the nonresident district to provide the special education and related services for the child with a disability. This provision would not apply, however, if the resident district fails to send the nonresident district a copy of the individualized education program by the required date.

[Bill Sections: 2509 thru 2513, 2515, 2518, 2521 thru 2523, 2525, and 2526]

#### **14. OPEN ENROLLMENT PROGRAM -- ALTERNATIVE PROCEDURE**

**Governor:** Create a new procedure under which a pupil may attend a public school in a nonresident school district under the full-time open enrollment if certain criteria are met.

Allow the parent of a pupil to apply to a nonresident district under this alternative procedure only if the pupil meets one of the following criteria, and require the parent to describe the criteria that the pupil meets in the application:

a. The resident district determines that the pupil has been the victim of a violent criminal offense, as defined by the Department in rule. Specify that an application made on the basis of this criteria is not valid unless the nonresident district receives the application within 30 days after the determination of the resident district.

b. The pupil is or has been a homeless pupil in the current or immediately preceding school year. A homeless pupil would be defined as an individual who is included in the category of homeless children and youths as defined in the federal McKinney-Vento Act.

c. The pupil has been the victim of repeated bullying or harassment. Under this criteria, the pupil's parent would be required to have reported the bullying or harassment to the resident district, and that, despite any actions taken, the repeated bullying and harassment continues.

d. The place of residence of the pupil's parent and of the pupil has changed as a result of military orders. An application made on the basis of this criteria would not be valid unless the nonresident district receives the application no later than 30 days after the date on which the military orders changing the place of residence were issued.

e. The pupil has moved into the state. An application made on the basis of this criteria would not be valid unless the nonresident district receives the application no later than 30 days after moving into this state.



f. The place of residence of the pupil has changed as a result of a court order or custody agreement or because the pupil was placed in a foster home or with a person other than the pupil's parent, or removed from a foster home or from the home of a person other than the pupil's parent. An application made on the basis of this criteria would not be valid unless the nonresident district receives the application no later than 30 days after the pupil's change in residence.

g. The parent of the pupil and the nonresident district agree that attending school in the nonresident district is in the best interests of the pupil.

Specify that applications may be submitted by parents under the alternative procedure to no more than three nonresident districts in any school year.

Require a nonresident district that receives an application under the alternative procedure to immediately forward a copy of the application to the resident district and to notify the applicant, in writing, whether it has accepted the application no later than 20 days after receiving the application. Require the nonresident district, if it has accepted an application, to identify the specific school or program that the pupil may attend.

Specify that a resident district may notify an applicant under the alternative procedure that the pupil may not attend a school or program in the nonresident district only for the following reasons:

a. The resident district determines that the criteria relied on by the applicant from the seven listed above does not apply to the pupil.

b. The resident district determines that the costs of the special education or related services required in the individualized education program for a child with a disability whose parent has submitted an application under the alternative procedure, as proposed to be implemented by the nonresident district, would impose upon the resident district an undue financial burden in light of the resident district's total economic circumstances. Those circumstances would include its revenue limit, its ability to pay tuition costs for the pupil, and the per pupil special education or related services costs for children with disabilities continuing to be served by the resident district. Specify that this would not apply to a parent who indicated in the application that the pupil has been the victim of a violent criminal offense.

Specify that if an application is accepted by the nonresident district, the pupil may immediately begin attending the school or program in the nonresident district and must begin attending the school or program no later than the 15th day following receipt by the parent of the pupil of the notice of acceptance. Specify that if the pupil has not enrolled in or attended school in the nonresident district by the specified day, the nonresident district may notify the pupil's parent, in writing, that the pupil is no longer authorized to attend the school or program in the nonresident district.

Require the resident district to provide the nonresident district to which a pupil has applied the required disciplinary records under current law within ten days of receiving an application under this procedure.

Require the nonresident district to prepare an estimate of the costs to provide the special education or related services required in the individualized education program for a child with a disability whose parent has submitted an application under the alternative procedure. Require the nonresident district to provide a copy of the estimate of costs to the resident district within ten days after receiving or developing the individualized education program for the applicant. Specify that if the nonresident district fails to comply with the requirement by the date specified, the nonresident district may not charge the resident district for any actual, additional costs incurred by the nonresident district to provide the special education and related services for the child with a disability.

Require DPI to prepare, distribute to districts, and make available to parents an application form to be used by parents under the alternative procedure. Modify the information required in the report on open enrollment that the Department is required to provide annually to the Governor and the appropriate standing committees of the Legislature to include: (a) the number of applications received under the current law and the alternative procedures; (b) for the applications received under the alternative procedure, the number using each of the seven criteria listed above; (c) the number of pupils attending nonresident districts whose applications were accepted under the current law and the alternative procedures; and (d) for the pupils attending nonresident districts whose applications were accepted under the alternative procedure, the number attending under each of the seven criteria listed above.

Specify that the following current law open enrollment provisions would also apply to the alternative procedure: (a) provisions governing the permissible criteria a nonresident district may use to accept or reject applications; (b) provisions specifying that pupils and siblings of pupils already attending the district and pupils currently attending an underlying K-8 district and applying to a union high school district may be included in its count of occupied spaces; and (c) provisions governing the appeal of a rejected application.

Create a revenue limit adjustment related to open enrollment pupils that are not included in a resident district's third Friday of September count date for revenue limits. The details of the calculation can be found under "Public Instruction -- General School Aids and Revenue Limits"

[Bill Sections: 2508, 2516, 2517, 2519, 2520, 2523 thru 2525, 2527 thru 2529, and 2601]

## Administrative and Other Funding

### 1. STANDARD BUDGET ADJUSTMENTS

**Governor:** Adjust the base budget by \$1,480,900 GPR annually, \$1,218,200 FED in 2011-12 and \$937,500 FED in 2012-13, \$726,400 PR annually, \$20,900 SEG annually, delete 5.5 FED positions in 2012-13, for the following: (a) turnover reduction (-\$384,600 GPR and -\$426,600 FED annually); (b) removal of noncontinuing items from the base (-\$234,700 GPR annually and -\$32,900 FED in 2011-12 and -\$313,600 FED and -5.5 FED positions in 2012-13); (c) full funding of continuing salaries and fringe (\$1,723,100 GPR, \$1,623,800 FED, \$711,900 PR and \$20,900 SEG annually); (d) overtime (\$285,600 GPR, \$52,200 FED, and \$14,300 PR annually); (e) night and weekend differential pay (\$57,700 GPR, \$400 FED, and \$200 PR annually); (f) full funding of lease and directed moves costs (\$33,800 GPR and \$1,300 FED annually); and (g) minor transfers within appropriations.

	Funding	Positions
GPR	\$2,961,800	0.00
FED	2,155,700	- 5.50
PR	1,452,800	0.00
SEG	<u>41,800</u>	<u>0.00</u>
Total	\$6,612,100	- 5.50

### 2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

**Governor:** Delete \$2,781,800 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include \$1,082,500 GPR, \$1,317,500 FED, and \$381,800 PR annually. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

GPR	- \$2,165,000
FED	- 2,635,000
PR	<u>- 763,600</u>
Total	- \$5,563,600

### 3. ELIMINATE LONG-TERM VACANCIES

**Governor:** Delete \$939,200 (all funds) and 17.97 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include \$621,900 GPR and 11.21 GPR positions, \$241,900 FED and 5.13 FED positions, and \$75,400 PR and 1.63 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

	Funding	Positions
GPR	- \$1,243,800	- 11.21
FED	- 483,800	- 5.13
PR	<u>- 150,800</u>	<u>- 1.63</u>
Total	- \$1,878,400	- 17.97

#### 4. ACROSS-THE-BOARD REDUCTIONS

**Governor:** Delete \$1,176,300 GPR, \$1,966,200 PR, and \$2,041,100 SEG annually as part of an across-the-board reduction in most GPR appropriations. The reductions by appropriation are shown below:

GPR	- \$2,352,600
PR	- 3,932,400
SEG	<u>- 4,082,200</u>
Total	- \$10,367,200

<u>Fund</u>	<u>Appropriation</u>	<u>Base</u>	<u>Annual Reduction</u>	<u>Percent Change</u>
GPR	General program operations	\$10,630,800	-\$233,600	-2.2%
GPR	Residential schools for deaf and blind	11,765,700	-101,400	-0.9
GPR	Residential schools--energy costs	716,100	-71,600	-10.0
GPR	Pupil assessment	3,106,500	-310,700	-10.0
GPR	Adult literacy grants	69,300	-6,900	-10.0
GPR	Grants for national teacher certification	2,099,600	-210,000	-10.0
GPR	Elks and Easter Seals respite center	82,100	-8,200	-10.0
GPR	Milwaukee Public Museum	46,900	-4,700	-10.0
GPR	Interstate compact on military children	1,000	-100	-10.0
GPR	Very special arts	70,300	-7,000	-10.0
GPR	Special Olympics	75,000	-7,500	-10.0
GPR	Precollege scholarships	2,146,100	-214,600	-10.0
PR	Student activity therapy	900	-100	-11.1
PR	Residential schools--services	69,300	-6,900	-10.0
PR	Residential schools--pupil transportation	1,597,200	-159,700	-10.0
PR	Personnel licensure	3,132,500	-108,700	-3.5
PR	GED and HSED	99,800	-3,500	-3.5
PR	Services for drivers	270,600	-13,000	-4.8
PR	Publications	234,100	-8,200	-3.5
PR	Library products and services	234,600	-23,500	-10.0
PR	Choice--financial audits	92,900	-1,800	-1.9
PR	School lunch handling charges	14,844,800	-1,462,400	-9.9
PR	Professional services center charges	164,200	-16,400	-10.0
PR	State agency library processing center	38,300	-1,200	-3.1
PR	Data processing	3,841,300	-160,800	-4.2
SEG	Badgerlink/Newsline for the blind	2,560,000	-256,000	-10.0
SEG	Aid to public library systems	16,681,200	-1,668,100	-10.0
SEG	Library service contracts	1,169,800	-117,000	-10.0

#### 5. STUDENT INFORMATION SYSTEM

GPR	\$15,000,000
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**Governor:** Provide \$15,000,000 in 2011-12 in a new biennial appropriation for a student information system. Require that the State Superintendent, working with the Office of the Governor, establish a student information system to collect and maintain information about pupils enrolled in public schools, including their academic performance and demographic information, aggregated by school district, school, and teacher. Annually by May 1, require the State Superintendent submit to the Governor a plan for the expenditure of moneys appropriated for this purpose in the succeeding fiscal year. Provide that the State Superintendent may not expend or encumber moneys appropriated for this purpose in any fiscal year unless the Governor

approves the plan for that fiscal year. Require the State Superintendent to charge a fee, on a per pupil basis, to any school district that uses the student information system. Permit the State Superintendent to charge a fee to any other person that uses the system. Provide that all fees be credited to the appropriation for professional services center charges under DPI. Require the State Superintendent to submit a plan to the Governor for the expenditure of moneys from this appropriation in the 2011-12 fiscal year by October 1, 2011.

[Bill Sections: 520, 2437, and 9137(1)]

## 6. KNOWLEDGE AND CONCEPTS EXAMINATIONS

GPR	\$4,626,800
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**Governor:** Provide \$2,313,400 annually above base level funding of \$3,106,500 for standardized pupil assessments to contract for and administer the Wisconsin knowledge and concepts exams required by state law in grades 3, 4, 8, and 10. This appropriation is also subject to across-the-board reductions.

## 7. MASTER EDUCATORS AND NATIONAL TEACHER CERTIFICATION REESTIMATE

GPR	\$420,900
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**Governor:** Provide \$79,900 in 2011-12 and \$341,000 in 2012-13 over base level funding of \$2,099,600 as a reestimate of payments to teachers who are certified by the National Board for Professional Teaching Standards or certified as a master educator under the state assessment process. The program provides initial grants in an amount equal to the costs of obtaining certification, up to \$2,000. For nine consecutive years following the initial grant, DPI awards annual grants of \$2,500 to qualifying teachers. In addition, higher grant awards totaling \$5,000 are provided to continuing nationally certified or master educators working in schools with at least 60% pupil eligibility for free and reduced-price lunch. The Department is also required by the IRS and State Controller's Office to pay Medicare and Social Security taxes on the grants at 7.65%.

It is estimated that 770 new and continuing educators will qualify for grants in 2011-12, and 858 will qualify in 2012-13. Of the total, approximately 69 educators working in high poverty schools will qualify for higher grant awards for in 2011-12, and 78 will qualify in 2012-13.

## 8. ENVIRONMENTAL EDUCATION CONSULTANT

	Funding	Positions
SEG	- \$237,000	- 1.00

**Governor:** Delete \$118,500 annually and 1.0 position and repeal the appropriation for an environmental education consultant position. Segregated funding is from the normal school fund.

[Bill Sections: 524 and 866]

## 9. AODA FUNDING REDUCTION

PR	- \$137,800
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**Governor:** Reduce funding by \$68,900 annually from base level funding of \$658,200 for alcohol and other drug abuse state operations, which are supported from penalty assessment funding. Specify that any unencumbered balance on June 30 of each year would revert to the penalty surcharge appropriation under the Department of Justice.

[Bill Section: 523]

## 10. FEDERAL REVENUE REESTIMATES

FED	- \$256,417,200
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**Governor:** Reestimate federal revenues by -\$118,580,900 in 2011-12 and -\$137,836,300 in 2012-13 for the following: (a) federal aids -- program operations (\$2,999,300 in 2011-12 and \$3,712,400 in 2012-13); (b) indirect cost reimbursements (\$180,500 in 2011-12 and \$312,000 in 2012-13); (c) federal aids -- local aid (\$49,926,900 annually); (d) federal aid -- economic stimulus funds (-\$174,000,000 in 2011-12 and -\$194,100,000 in 2012-13); (e) federal funds -- local assistance (\$92,200 annually); and (f) federal funds -- individuals and organizations (\$2,220,200 annually).

## 11. PROGRAM REVENUE REESTIMATES

PR	\$1,676,900
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**Governor:** Reestimate PR expenditures by \$737,600 in 2011-12 and \$939,300 in 2012-13 for the following: (a) Milwaukee parental choice program financial audits (\$16,100 in 2011-12 and \$18,200 in 2012-13); (b) publications (-\$31,400 annually); (c) state agency library processing center (-\$8,300 annually); (d) general educational development and high school graduation equivalency (\$14,800 in 2011-12 and \$14,400 in 2012-13); (e) data processing (\$700,000 in 2011-12 and \$900,000 in 2012-13); (f) funds transferred from other state agencies -- program operations (\$150,100 annually); (g) library products and services (-\$70,000 annually); (h) program for the deaf and center for the blind -- pupil transportation (-\$297,200 annually); (i) program for the deaf and center for the blind -- leasing of space (-\$10,000 annually); (j) program for the deaf and center for the blind -- services (-\$30,000 annually); and (k) funds transferred from other state agencies -- local aids (\$303,500 annually).

## 12. FUEL AND UTILITIES REESTIMATE

GPR	- \$89,900
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**Governor:** Delete \$67,500 in 2011-12 and \$22,400 in 2012-13 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is \$716,100.

## 13. DEBT SERVICE REESTIMATE

GPR	\$77,600
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**Governor:** Provide \$55,800 in 2011-12 and \$21,800 in 2012-13 as a reestimate of debt service payments. Base level funding is \$900,100.

#### 14. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- \$660,000
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**Governor:** Decrease funding \$690,300 in 2011-12 and increase funding by \$30,300 in 2012-13 to reflect the changes to estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (See "Building Commission" for additional information regarding this provision.)

#### 15. UNCLASSIFIED POSITION AUTHORITY

**Governor:** Transfer 0.4 unclassified position authority from federal funding to program revenue-service funding. This item would reduce 0.2 position from the federal aids--program operations and 0.2 position from the indirect cost reimbursements appropriations, and transfer those positions to the personnel licensure and data processing appropriations. The transfers would allow the positions' funding to reflect the work each division administrator is currently performing.

Positions	
FED	- 0.40
PR	<u>0.40</u>
Net	0.00

#### 16. SERVICES FOR DRIVERS POSITIONS

**Governor:** Provide 0.30 position in the services for drivers appropriation for traffic safety education. DPI requested position authority with no additional funding because current spending authority within the appropriation was adequate. This appropriation is subject to across-the-board reductions.

Positions	
PR	0.30

#### 17. MAINTENANCE OF EFFORT REQUIREMENT FOR PUBLIC LIBRARY SYSTEM MEMBERSHIP

**Governor:** Repeal the current law requirements under the statutory standards to be met by public library systems, that each county maintain its support for public library services at a level not lower than the average of the previous three years. Eliminate related provisions governing the calculation of that three-year average for a city, village, town or school district that gains an exemption from the county tax under a separate section of the statutes. Delete the provision that requires DPI to adjust the three-year average in any year, as necessary, to reflect cost savings realized as a result of consolidation or sharing of library services, under certain conditions. Repeal the requirement that a library receive funding from its governing body not less than the average of the previous three years in order to retain membership in a public library system. Each county proposed to be included within a public library system would continue to be required, as under current law, to demonstrate to the satisfaction of DPI its ability to provide adequate funding for libraries in order to implement a plan for library services.

[Bill Sections: 1171 thru 1176]

## 18. DELETE INACTIVE APPROPRIATIONS

**Governor:** Delete the appropriation for hospitalization of pupils attending the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and the Wisconsin Center for the Blind and Visually Impaired. Also delete the appropriation for an administrative leadership academy for mid-career school district administrators and principals, and the related statutory language. In its agency biennial budget request, DPI requested that both appropriations, and related statutory language, be repealed, as they have been inactive for several years.

The bill retains current language that authorizes the State Superintendent to apply for admission to UW Hospital and Clinics of any pupil enrolled at the state residential schools. The bill repeals language that authorizes the State Superintendent to pay for such hospital treatment.

Delete appropriations for the following categorical aids: (a) school district grants; (b) Global Academy; and (c) distance learning. All three were created under 2009 Act 28 as one-time grants for the 2009-10 school year.

[Bill Sections: 521, 522, 530, 535, 536, 2453, and 2458 thru 2460]